

AMENDED IN SENATE APRIL 17, 2012

SENATE BILL

No. 1326

Introduced by Senator Harman

February 23, 2012

An act to add Section 39 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1326, as amended, Harman. Tax information: administration.

Existing law imposes various taxes that are administered by the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department.

This bill would require the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department to collaborate and focus the agencies' current and future information technology efforts on developing a single Internet Web site portal that virtually consolidates the agencies to enable online, self-service access to the agencies, as provided. This bill would also require, ~~wherever operationally feasible~~ *upon a joint determination by the agencies and appropriation by the Legislature*, these agencies to consolidate forms, applications, and other documents to reduce, or eliminate, the number of multiple submissions of the same information by taxpayers.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

1 (a) California relies on three separate state agencies to administer
2 and enforce its major taxes.

3 (b) To obtain assistance and comply with California's tax laws,
4 policies, and procedures, many taxpayers must interact with all
5 three agencies, and frequently with multiple departments within
6 those agencies.

7 (c) While this system has performed reasonably well in many
8 respects, the multiagency nature of the system is prone to certain
9 inherent problems, difficulties, and inefficiencies, and is
10 particularly complex for taxpayers required to comply with
11 California's tax laws.

12 (d) Over the past decades, numerous reports have been prepared
13 and various legislative proposals have been considered on the topic
14 of coordination and cooperation among these three agencies. The
15 focus of these efforts range from relatively minor aspects of
16 increased cooperation to proposals for full consolidation of the
17 agencies under "one roof."

18 (e) Focusing on the customer should be a core element of
19 California's tax administration. Taxpayers should not have to
20 understand complex government structures and relationships in
21 order to interact with the government, particularly in a sensitive
22 area like taxes.

23 (f) The California Tax Service Center, available at
24 www.taxes.ca.gov, provides an assortment of independent
25 departmental forms, returns, and links, tied together by a common
26 homepage on the Internet, and is intended to provide California
27 taxpayers with resources and educational programs with a goal as
28 a one-stop tax assistance hub.

29 (g) The California Tax Service Center can be used to better
30 serve California's taxpaying community by virtually consolidating
31 the three agencies' operations to enable them to appear as one
32 unified organization with the goal of providing a seamless
33 experience for taxpayers in their online interactions with the
34 agencies.

35 (h) It is therefore in California's best interest to develop a
36 Web-based, taxpayer-focused system that virtually consolidates
37 the State Board of Equalization, the Franchise Tax Board, and the
38 Employment Development Department. In developing a
39 taxpayer-focused system, the fundamental objective should be a
40 platform providing an integrated experience for taxpayers, to enable

1 online self-service access with a single logon for all three agencies,
2 and to provide pertinent and essential information that will enable
3 taxpayers to satisfy their payment and reporting obligations, obtain
4 real time information pertinent to their individual accounts, and
5 provide assistance that will enable taxpayers to achieve optimum
6 compliance with California's complex tax system.

7 SEC. 2. Section 39 is added to the Revenue and Taxation Code,
8 to read:

9 39. The board, the Franchise Tax Board, and the Employment
10 Development Department shall collaborate and focus their current
11 and future information technology efforts on developing a single
12 Web-based portal that virtually consolidates the agencies to enable
13 online, self-service access through a single logon for taxpayers to
14 electronically ~~file returns, submit~~ *submit returns and* forms or
15 other information, remit amounts due, determine account balances
16 and due dates of taxes, identify the status of any appeal, claim for
17 refund, request for relief of interest or penalty, and any other
18 information the agencies deem helpful to the taxpayer to assist in
19 compliance with the state's tax laws. As part of this effort,
20 ~~wherever operationally feasible upon a joint determination by the~~
21 *agencies that a need exists to improve cost-effective service to*
22 *taxpayers and an appropriation by the Legislature,* these agencies
23 shall also consolidate forms, applications, and other documents to
24 reduce, or eliminate, the number of multiple submissions of the
25 same information by taxpayers.